

WASHINGTON (June 7) – Congressman Spencer Bachus (AL-6) today voted to repeal an onerous Obamacare tax that would imperil health care innovation.

By a bipartisan vote of 270-146, the House approved a bill cosponsored by Congressman Bachus that would scrap a proposed tax on manufacturers of medical devices. The tax was designed to fund Obamacare. But Bachus said it would increase health care costs and impose an especially heavy burden on startup companies trying to develop breakthrough medical technologies.

“Innovation is a key to improving the quality of health care and controlling costs. This new tax would have the exact opposite effect. It would make commonly-used medical devices more expensive and divert precious capital at startup companies away from product development and job creation,” said Congressman Bachus.

Bachus said that the “medical device” tax can be applied so broadly that it could cover crowns and dentures made in the offices of local dentists. In a letter to the Internal Revenue Service, several dental societies said the cost of the potential tax on dental providers and the patients they serve could be as high as \$150 million.

The new \$28.5 billion tax would make U.S. tax rates on the medical device industry among the highest in the world. An Ernst and Young survey found that some companies could owe more in taxes than they earn in profits.

Congressman Bachus noted that the life sciences industry is playing a greater role in the economy of the State of Alabama and should be encouraged to grow, not contract. Bachus was recently named a “Champion of Health Care Innovation” by the Healthcare Leadership Council for his legislative record in promoting advanced medical technologies.